



## **Results for the first three quarters of 2012**

November 6, 2012

## Key figures at a glance (I)

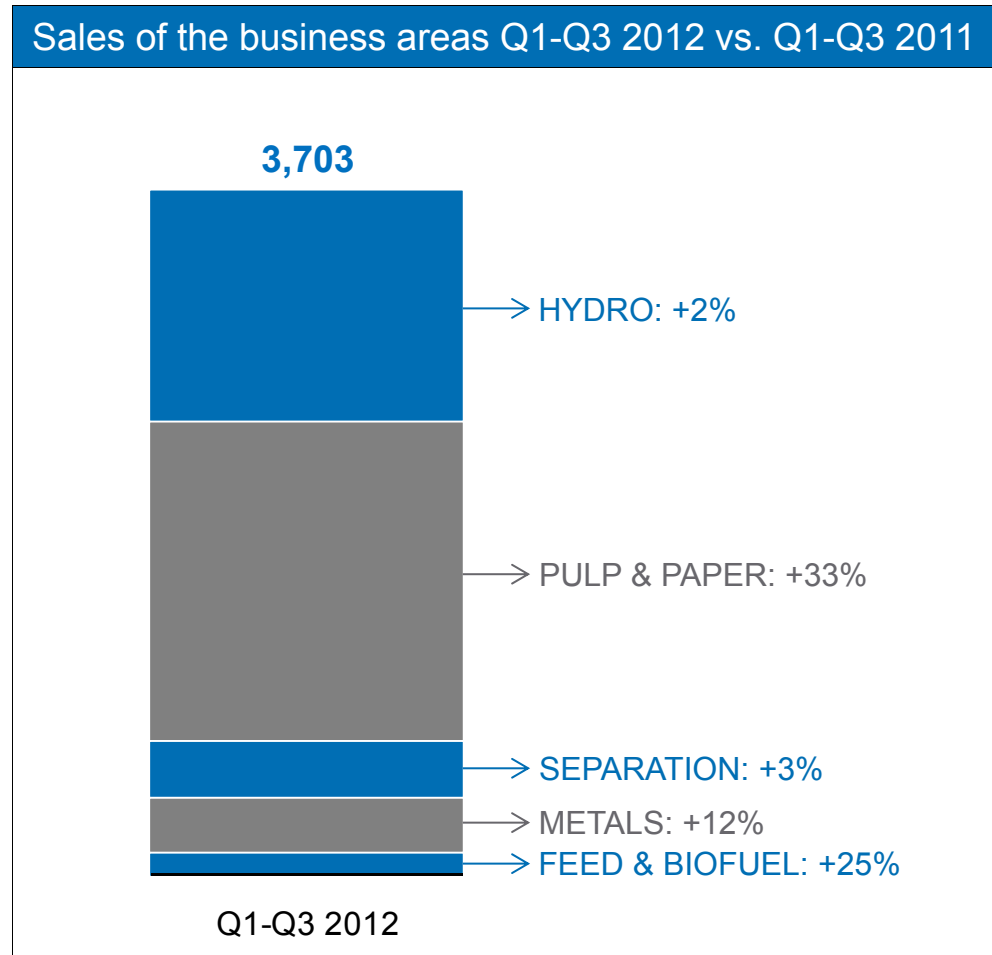
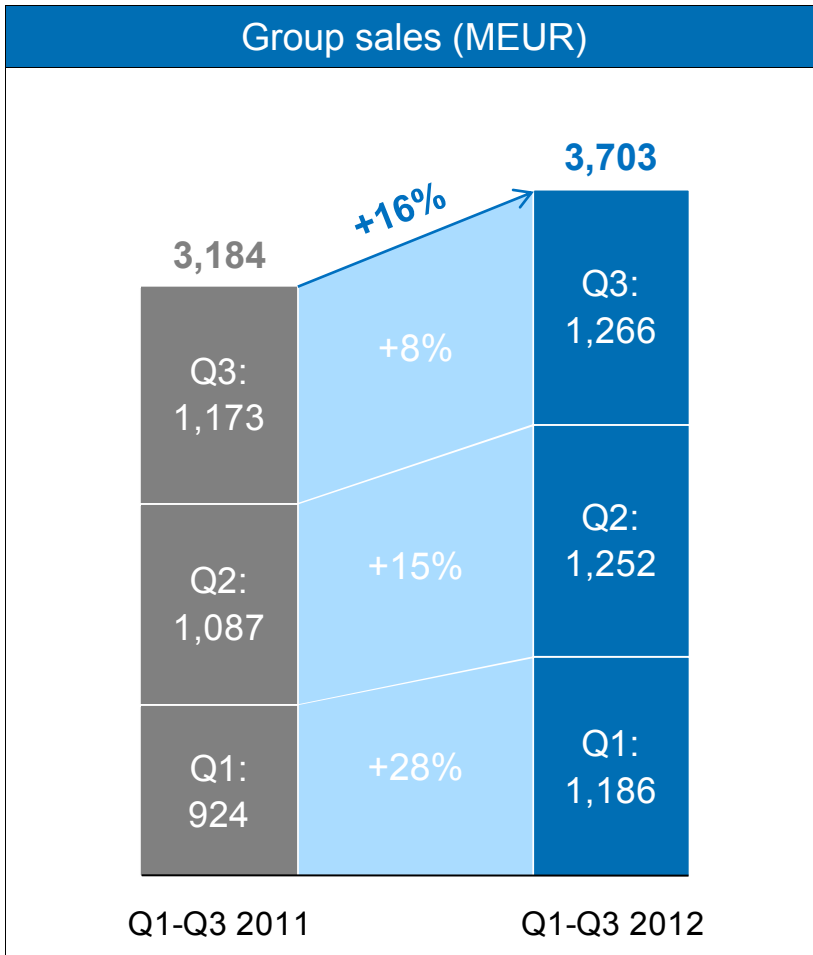
	Q3 2012	Q1-Q3 2012
<p><b>Order intake:</b></p> <ul style="list-style-type: none"> <li>▪ Favorable development in Q3 2012, only slightly below high reference figure of last year, which included a large order in HYDRO; increase in PULP &amp; PAPER, METALS, and FEED &amp; BIOFUEL</li> <li>▪ Order intake in Q1-Q3 2012 below extraordinarily high level of last year's reference figure, which included three large orders (two in PULP &amp; PAPER, one in HYDRO)</li> </ul>	<p>1,239 MEUR, -1% YOY</p>	<p>3,793 MEUR, -23% YOY</p>
<p><b>Order backlog (as of end of period):</b> unchanged at high level</p>	<p>6,930 MEUR, -5% vs. EOP 2011</p>	<p>6,930 MEUR, +4% vs. EOY 2011</p>
<p><b>Sales:</b></p> <ul style="list-style-type: none"> <li>▪ In Q3 2012 increase in all business areas except SEPARATION</li> <li>▪ In Q1-Q3 2012 sales rose in all business areas, especially in PULP &amp; PAPER due to processing of two large pulp mill orders</li> </ul>	<p>1,266 MEUR, +8% YOY</p>	<p>3,703 MEUR, +16% YOY</p>

## Key figures at a glance (II)

	Q3 2012	Q1-Q3 2012
<b>EBITA:</b> <ul style="list-style-type: none"> <li>EBITA in Q3 2012 slightly below Q3 2011</li> <li>EBITA in Q1-Q3 2012 increased compared to last year, but not fully matching sales growth</li> </ul>	87 MEUR, -4% YOY	242 MEUR, +9% YOY
<b>EBITA margin:</b> decline in Q3 2012 and Q1-Q3 2012, mainly due to PULP & PAPER (execution of large pulp mill orders) and SEPARATION (cost overruns at some projects and investment in business expansion in emerging markets)	6.8% (Q3 2011: 7.7%)	6.5% (Q1-Q3 2011: 7.0%)

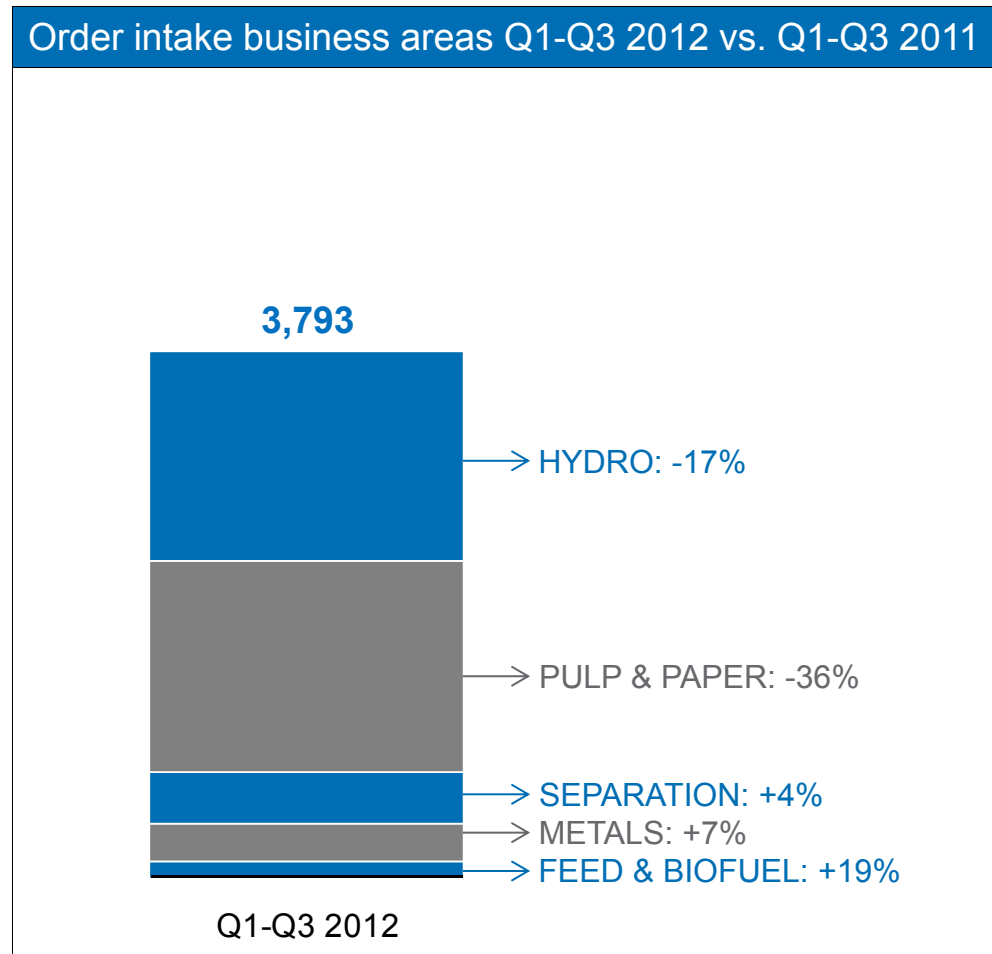
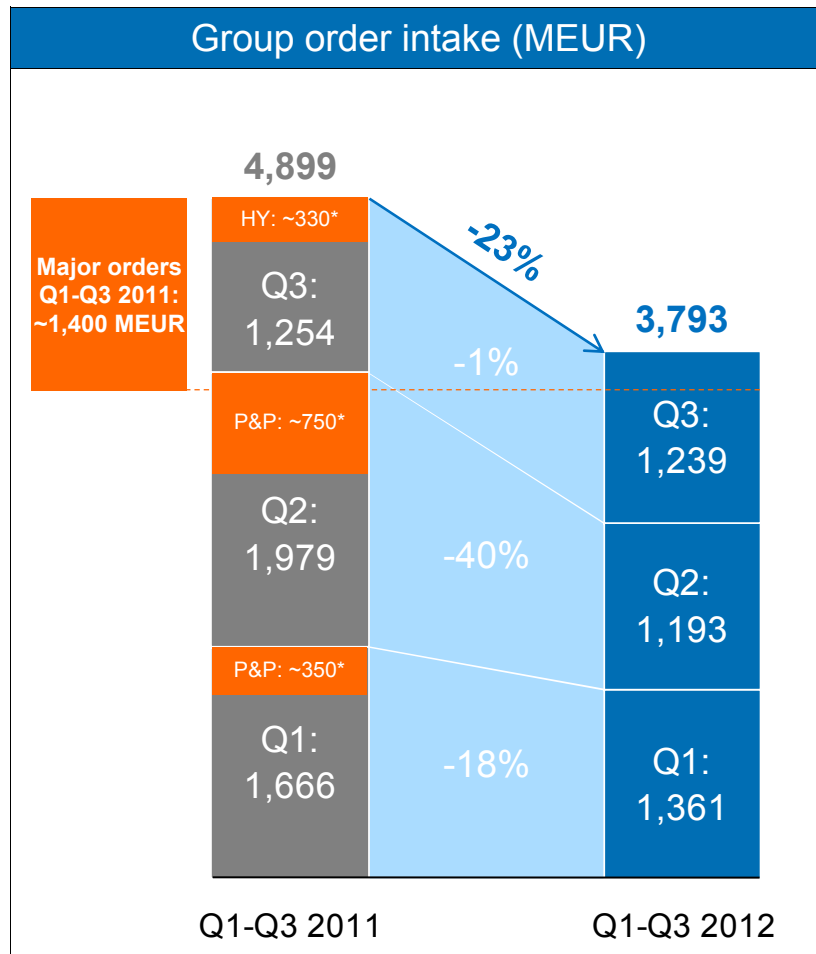
Balance sheet	September 30, 2012
<b>Equity ratio:</b> stable	19.4% (EOY 2011: 20.6%)
<b>Net liquidity:</b> continuing high cash position	1,286 MEUR, -8% vs. EOY 2011
<b>Net working capital:</b> unchanged at solid level	-639 MEUR, +/-0% vs. EOY 2011

# Strong sales increase in Q1-Q3 2012, mainly driven by PULP & PAPER (execution of large orders)



# Satisfactory development of order intake in Q3 2012

In Q1-Q3 2012 decline vs. very high reference figure of last year

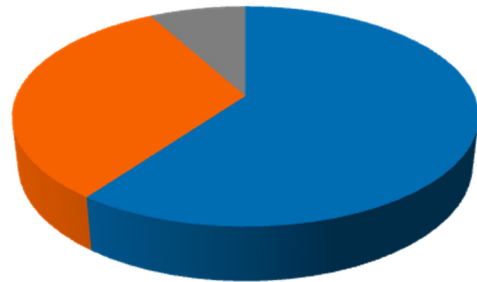


\* Major order included in the respective order intake figure

# Order intake and sales by region

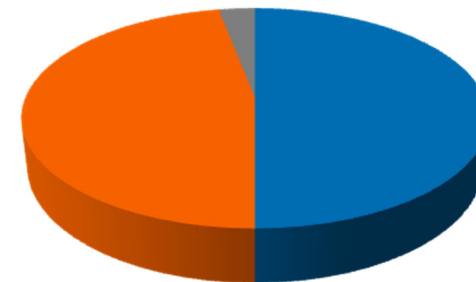
Well balanced geographical exposure

Order intake	Q1-Q3/12	Q1-Q3/11
Europe	46%	30%
North America	14%	14%
South America	12%	35%
Asia (without China)	11%	9%
China	9%	8%
Others	8%	4%



- Europe + North America: 60%
- Emerging markets: 32%
- Others: 8% (mostly Africa/HYDRO orders)

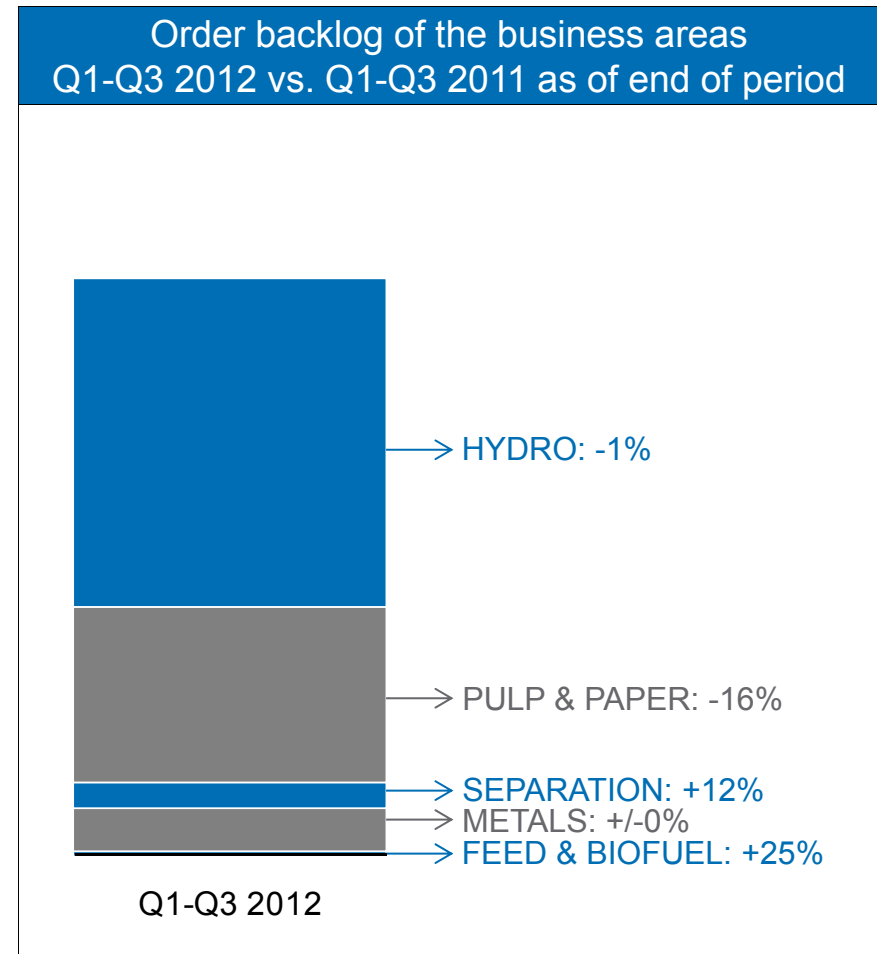
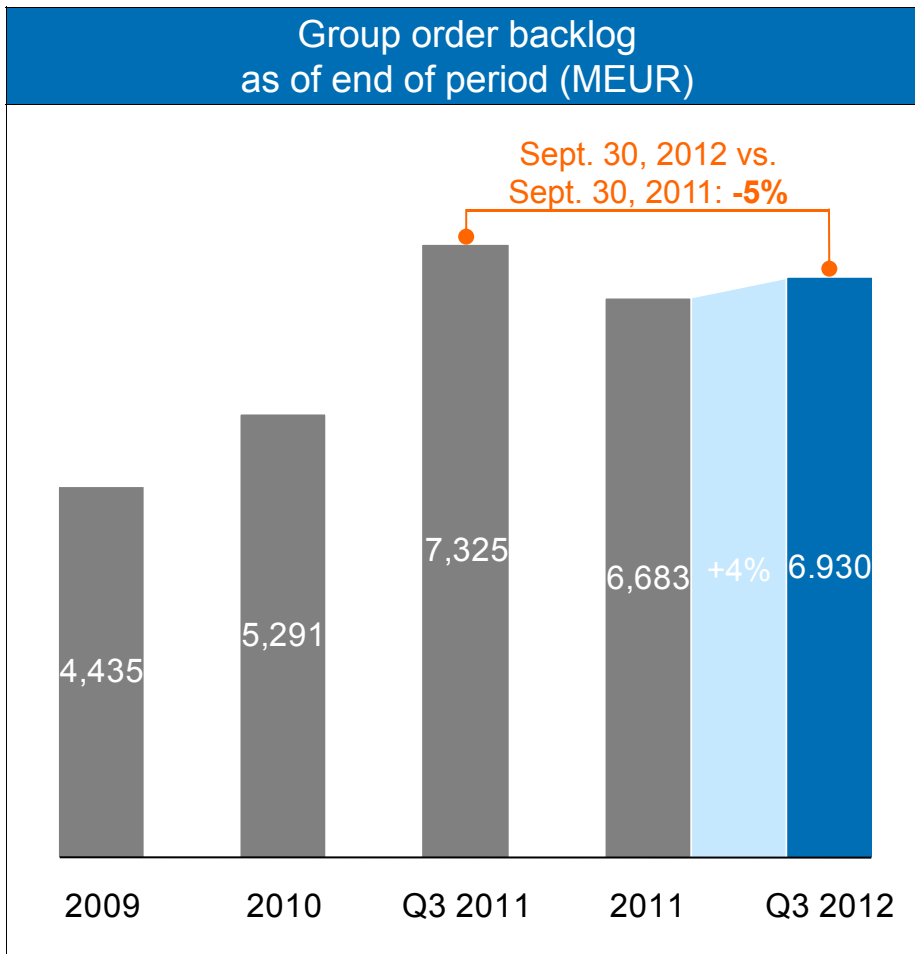
Sales	Q1-Q3/12	Q1-Q3/11
Europe	36%	39%
North America	14%	13%
South America	24%	20%
Asia (without China)	13%	12%
China	10%	13%
Others	3%	3%



- Europe + North America: 50%
- Emerging markets: 47%
- Others: 3%

# Order backlog

## Solid workload for the coming quarters



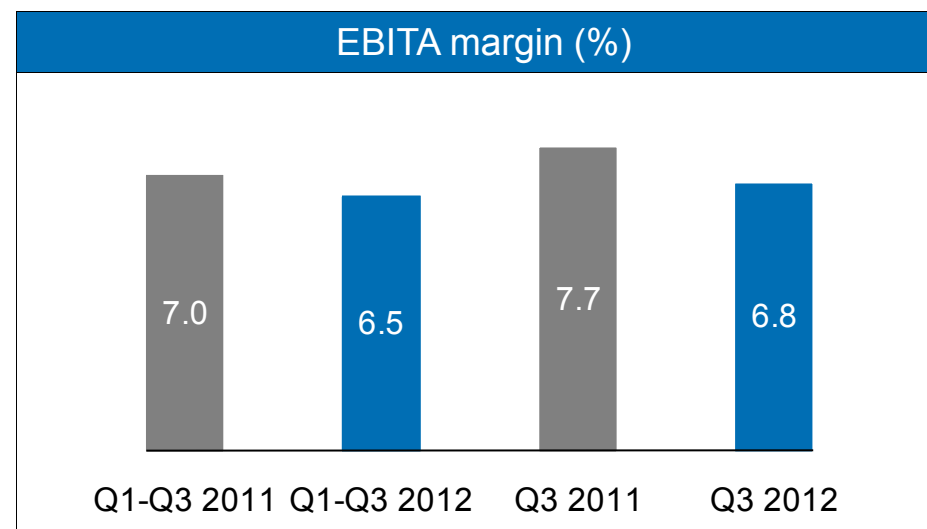
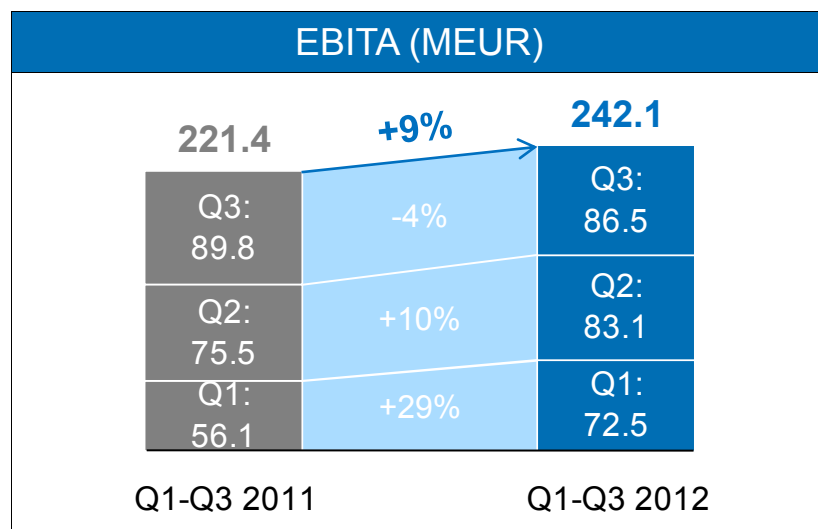
# EBITA: mainly impacted by processing of large PULP & PAPER orders and earnings decline in SEPARATION

## EBITA

- EBITA in Q3 2012, at 86.5 MEUR, declined by 3.7% vs. Q3 2011 (89.8 MEUR)
- EBITA in Q1-Q3 2012 increased by 9.3% to 242.1 MEUR (Q1-Q3 2011: 221.4 MEUR)

## EBITA margin

- EBITA margin amounted to 6.8% in Q3 2012 (Q3 2011: 7.7%)
- EBITA margin in Q1-Q3 2012 at 6.5% (Q1-Q3 2011: 7.0%)
- Margin negatively impacted by execution of large pulp mill orders, as well as some project-related cost overruns and investment for expansion in the emerging markets in SEPARATION





## Q3/Q1-Q3 2012 figures at a glance

	<i>Unit</i>	Q1-Q3/12	Q1-Q3/11	+/-	Q3/12	Q3/11	+/-	2011
Order intake	<i>MEUR</i>	3,793.2	4,898.6	-22.6%	1,238.8	1,254.1	-1.2%	5,706.9
Order backlog (as of end of period)	<i>MEUR</i>	6,929.8	7,325.0	-5.4%	6,929.8	7,325.0	-5.4%	6,683.1
Sales	<i>MEUR</i>	3,703.3	3,184.2	+16.3%	1,265.5	1,173.1	+7.9%	4,596.0
EBITDA	<i>MEUR</i>	286.1	261.3	+9.5%	101.4	104.3	-2.8%	386.2
EBITA	<i>MEUR</i>	242.1	221.4	+9.3%	86.5	89.8	-3.7%	331.5
EBIT	<i>MEUR</i>	224.0	207.9	+7.7%	80.9	84.8	-4.6%	312.7
EBT	<i>MEUR</i>	231.0	215.1	+7.4%	81.2	88.0	-7.7%	321.7
Financial result	<i>MEUR</i>	7.0	7.2	-2.8%	0.3	3.2	-90.6%	9.0
Net income (including non-controlling interests)	<i>MEUR</i>	166.2	151.8	+9.5%	58.7	62.1	-5.5%	231.5
Cash flow from operating activities	<i>MEUR</i>	219.2	339.9	-35.5%	99.8	133.1	-25.0%	433.8
Capital expenditure	<i>MEUR</i>	52.3	41.7	+25.4%	17.8	18.2	-2.2%	77.0
EBITDA margin	%	7.7	8.2	-	8.0	8.9	-	8.4
EBITA margin	%	6.5	7.0	-	6.8	7.7	-	7.2
EBIT margin	%	6.0	6.5	-	6.4	7.2	-	6.8
Employees (as of end of period)	-	17,686	16,692	+6.0%	17,686	16,692	+6.0%	16,750

# HYDRO

## Continued good business development

- Continuing good **market** conditions:
  - Unchanged good investment activity for modernization/rehabilitation of existing hydropower plants and for pumped storage power stations in Europe and North America
  - Solid project activity for new hydropower plants in the emerging markets
  - Satisfactory investment activity for small-scale hydropower plants
- **Order intake** in Q3 2012 below very high reference figure in Q3 2011 which included the Belo Monte order (330 MEUR)
- **Sales** increased, **EBITA** slightly declined, **EBITA margin** remained at good level

	<i>Unit</i>	Q1-Q3/12	Q1-Q3/11	+/-	Q3/12	Q3/11	+/-	2011
Order intake	<i>MEUR</i>	1,504.6	1,812.7	-17.0%	391.4	715.6	-45.3%	2,096.2
Order backlog (as of end of period)	<i>MEUR</i>	3,944.6	3,978.8	-0.9%	3,944.6	3,978.8	-0.9%	3,671.4
Sales	<i>MEUR</i>	1,245.7	1,223.0	+1.9%	438.7	417.9	+5.0%	1,772.9
EBITDA	<i>MEUR</i>	114.0	112.5	+1.3%	39.3	40.3	-2.5%	174.3
EBITDA margin	%	9.2	9.2	-	9.0	9.6	-	9.8
EBITA	<i>MEUR</i>	92.4	92.8	+0.4%	32.1	32.8	-2.1%	147.7
EBITA margin	%	7.4	7.6	-	7.3	7.8	-	8.3
Employees (as of end of period)	-	7,534	7,343	+2.6%	7,534	7,343	+2.6%	7,285

# PULP & PAPER

## Satisfactory business development

- Satisfactory **market** conditions:
  - Favorable project activity for modernization projects, capacity increases, and greenfield pulp mills
  - Good market development for biomass/recovery boilers
- **Order intake** in Q3 2012 increased significantly with favorable development in practically all divisions
- Sharp rise in **sales** due to processing of large orders, **earnings** unchanged at solid level, **profitability** down due to order mix

	<i>Unit</i>	Q1-Q3/12	Q1-Q3/11*	+/-	Q3/12	Q3/11*	+/-	2011*
Order intake	<i>MEUR</i>	1,523.3	2,372.1	-35.8%	542.1	318.4	+70.3%	2,694.1
Order backlog (as of end of period)	<i>MEUR</i>	2,088.7	2,497.5	-16.4%	2,088.7	2,497.5	-16.4%	2,230.0
Sales	<i>MEUR</i>	1,724.8	1,293.9	+33.3%	561.1	499.7	+12.3%	1,884.9
EBITDA	<i>MEUR</i>	121.7	98.9	+23.1%	43.2	41.7	+3.6%	138.1
EBITDA margin	%	7.1	7.6	-	7.7	8.3	-	7.3
EBITA	<i>MEUR</i>	106.0	86.7	+22.3%	37.9	37.9	0.0%	120.4
EBITA margin	%	6.1	6.7	-	6.8	7.6	-	6.4
Employees (as of end of period)	-	6,677	6,128	+9.0%	6,677	6,128	+9.0%	6,208

\* At the beginning of 2012, there was a minor product shift from the SEPARATION to the PULP & PAPER business area. Comparison figures for 2011 have been adjusted accordingly in both business areas.

# SEPARATION

## Disappointing earnings and sales development

- Unchanged good **market** conditions:
  - Environment (treatment of drinking water and sewage): solid investment activity, mainly in Asia
  - Mining and minerals: satisfactory project activity, however uncertainty with regard to large projects remains
  - Food and chemical: good project activity
- **Order intake** and **sales** declined in Q3 2012; however, order intake and sales in Q1-Q3 2012 slightly rose compared to reference figures of last year
- **Earnings** and **margin** significantly down due to cost overruns at some projects and investment for expansion in emerging markets

	<i>Unit</i>	Q1-Q3/12	Q1-Q3/11*	+/-	Q3/12	Q3/11*	+/-	2011*
Order intake	<i>MEUR</i>	365.9	352.0	+3.9%	106.5	115.0	-7.4%	438.8
Order backlog (as of end of period)	<i>MEUR</i>	320.4	287.4	+11.5%	320.4	287.4	+11.5%	250.8
Sales	<i>MEUR</i>	304.7	296.4	+2.8%	104.2	117.3	-11.2%	419.9
EBITDA	<i>MEUR</i>	20.7	29.2	-29.1%	7.2	13.7	-47.4%	42.7
EBITDA margin	%	6.8	9.9	-	6.9	11.7	-	10.2
EBITA	<i>MEUR</i>	17.3	24.9	-30.5%	6.0	12.3	-51.2%	36.7
EBITA margin	%	5.7	8.4	-	5.8	10.5	-	8.7
Employees (as of end of period)	-	1,748	1,714	+2.0%	1,748	1,714	+2.0%	1,752

\* At the beginning of 2012, there was a minor product shift from the SEPARATION to the PULP & PAPER business area. Comparison figures for 2011 have been adjusted accordingly in both business areas.

# METALS

## Solid business development despite weak market environment

- **Market** conditions remained weak: only selective project activity due to ongoing overcapacities in the steel/stainless steel production and related limited capex
- **Order intake** significantly up due to a large order that was put into force in Q3 2012
- Very favorable development of **sales, earnings, and margin** despite weak market environment

	<i>Unit</i>	Q1-Q3/12	Q1-Q3/11	+/-	Q3/12	Q3/11	+/-	2011
Order intake	<i>MEUR</i>	270.8	253.8	+6.7%	159.5	70.7	+125.6%	318.6
Order backlog (as of end of period)	<i>MEUR</i>	512.3	510.2	+0.4%	512.3	510.2	+0.4%	465.1
Sales	<i>MEUR</i>	294.4	263.4	+11.8%	117.7	101.3	+16.2%	372.7
EBITDA	<i>MEUR</i>	19.3	12.9	+49.6%	8.7	5.9	+47.5%	21.5
EBITDA margin	%	6.6	4.9	-	7.4	5.8	-	5.8
EBITA	<i>MEUR</i>	17.6	11.3	+55.8%	8.0	5.3	+50.9%	19.4
EBITA margin	%	6.0	4.3	-	6.8	5.2	-	5.2
Employees (as of end of period)	-	1,146	952	+20.4%	1,146	952	+20.4%	945

# FEED & BIOFUEL

## Good business development

- Satisfactory **market** conditions:
  - Good project activity in the animal, aquatic, and pet food industries, especially in North and Central America; particularly the special feed area showed favorable project activity
  - Satisfactory project activity for biomass/wood pelleting equipment, mainly in Europe, South America, and the USA
  
- Significant increase of **order intake** due to good development of both feed and biomass business
  
- Sharp rise in **sales** and **earnings**; reasonable development of **margin**

	<i>Unit</i>	Q1-Q3/12	Q1-Q3/11	+/-	Q3/12	Q3/11	+/-	2011
Order intake	<i>MEUR</i>	128.6	107.9	+19.2%	39.3	34.3	+14.6%	159.2
Order backlog (as of end of period)	<i>MEUR</i>	63.8	51.0	+25.1%	63.8	51.0	+25.1%	65.8
Sales	<i>MEUR</i>	133.8	107.5	+24.5%	43.9	36.9	+19.0%	145.6
EBITDA	<i>MEUR</i>	10.4	8.2	+26.8%	3.0	3.1	-3.2%	9.6
EBITDA margin	%	7.8	7.6	-	6.8	8.4	-	6.6
EBITA	<i>MEUR</i>	8.8	6.2	+41.9%	2.5	2.0	+25.0%	7.3
EBITA margin	%	6.6	5.8	-	5.7	5.4	-	5.0
Employees (as of end of period)	-	581	555	+4.7%	581	555	+4.7%	560

# Outlook

## Macroeconomic environment

- Unchanged difficult economic environment, especially in the Euro zone
- Emerging markets show further signs of cooling off, especially China
- For some industries, a severe decline in demand is anticipated by market researchers (e.g. for the automotive industry)

## Expectations for the business areas

HYDRO	Solid project activity for modernizations and new hydropower stations to continue
PULP & PAPER	Good project activity for modernizations/capacity increases as well as for power/biomass boilers; solid pipeline of greenfield pulp mills (end of 2012 or H1 2013)
SEPARATION	Satisfactory project activity for solid/liquid separation equipment
METALS	No signs of recovery in the current moderate project and investment activity in the carbon steel and stainless steel sectors
FEED & BIOFUEL	Favorable market environment for feed and biomass equipment

## Expectations for the Group

Unchanged sales and earnings outlook for 2012: sales expected to increase to approx. 5.0 bn. EUR, net income to rise compared to 2011

## Disclaimer

Certain statements contained in this presentation constitute 'forward-looking statements.' These statements, which contain the words 'believe', 'intend', 'expect' and words of similar meaning, reflect management's beliefs and expectations and are subject to risks and uncertainties that may cause actual results to differ materially.

As a result, readers are cautioned not to place undue reliance on such forward-looking statements. The company disclaims any obligation to publicly announce the result of any revisions to the forward-looking statements made herein, except where it would be required to do so under applicable law.

According to IFRS.